

EXHIBIT 1

INTRODUCTION

Respondent Elizabeth Cabraser is a partner in the law firm of Lief, Cabraser, Heimann & Bernstein, LLP in San Francisco.

In 2000, Respondent made \$20,000 in contributions to various California State senatorial candidates, and thereby qualified as a “major donor committee” under the Political Reform Act (the “Act”).¹ As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required to file late contribution reports, disclosing the late contributions that she made within 24 hours of making the contributions. In this case, Respondent made three late contributions before the November 2000 election, which she failed to disclose in late contribution reports, thereby committing three violations of the Act.

Additionally, Respondent was required to file a semi-annual campaign statement, commonly known as a “major donor statement,” by January 31, 2001, disclosing her contributions during the period July 1, 2000 through December 31, 2000. Respondent failed to file a major donor statement by the January 31, 2001 due date, disclosing \$20,000 in contributions, thus committing another violation of the Act.

For the purposes of this Stipulation, Respondent’s violations are stated as follows:

COUNT 1: Respondent failed to disclose a \$10,000 late contribution to “Burton for Senate,” in a properly filed late contribution report, by the October 31, 2000 due date, in violation of Section 84203, subdivision (a).

COUNT 2: Respondent failed to disclose a \$5,000 late contribution to “Alpert for Senate,” in a properly filed late contribution report, by the October 31, 2000 due date, in violation of Section 84203, subdivision (a).

COUNT 3: Respondent failed to disclose a \$5,000 late contribution to “Karnette for Senate,” in a properly filed late contribution report, by the November 4, 2000 due date, in violation of Section 84203, subdivision (a).

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, Title 2, sections 18109-18996. All regulatory references are to Title 2 of the California Code of Regulations.

COUNT 4: Respondent failed to file a semi-annual campaign statement, by January 31, 2001, for the reporting period July 1 to December 31, 2000, in violation of Section 84200, subdivision (b).

RESPONDENT: Elizabeth Cabraser

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Major Donor Committees

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to or at the behest of candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Duty to File Late Contribution Reports

Under Section 84203, subdivision (a), when a committee makes or receives a late contribution, the committee must disclose the contribution in a late contribution report that must be filed within 24 hours of making or receiving the contribution. Section 82036 defines a “late contribution” as a contribution aggregating \$1,000 or more that is received before an election, but after the closing date of the last pre-election statement. Under Section 84200.7, subdivision (b), for an election held in June or November of an even-numbered year, the late contribution period covers the last 16 days before the election.

Duty to File Semi-Annual Campaign Statements

Section 84200, subdivision (b) requires major donor committees to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

SUMMARY OF THE FACTS

Respondent Elizabeth Cabraser is a partner in the law firm of Lieff, Cabraser, Heimann & Bernstein, LLP in San Francisco. In 2000, Respondent made \$20,000 in contributions to various California State Senatorial candidates, and thereby qualified under Section 82013, subdivision (c), as a major donor committee.

COUNTS 1-3

Failure to File Late Contribution Reports

As a major donor committee, Elizabeth Cabraser had a duty to file late contribution reports, disclosing, within 24 hours, the late contributions that she made.

Prior to the November 7, 2000 election, Respondent made three late contributions, and failed to file late contribution reports disclosing those contributions. The contributions that she made, and the dates by which they were required to be disclosed, is set forth below:

Count	Contribution Date	Recipient	Amount	Date Report Due
1	October 30, 2000	Burton For Senate	\$10,000	October 31, 2000
2	October 30, 2000	Alpert for Senate	\$5,000	October 31, 2000
3	November 3, 2000	Karnette for Senate	\$5,000	November 4, 2000

By failing to file late contribution reports disclosing three late contributions, as set forth above, Respondent committed three violations of Section 84203, subdivision (a).

COUNT 4

Failure to Timely File a Semi-Annual Campaign Statement

As a major donor committee, Respondent Elizabeth Cabraser also had a duty to file a semi-annual campaign statement by January 31, 2001, disclosing the contributions that she made during the reporting period July 1 to December 31, 2000. Respondent failed to timely file a semi-annual campaign statement, by the January 31, 2001 due date, in violation of Section 84200, subdivision (b). This failure to file a statement was discovered through operation of the Enforcement Division's Streamlined Late Contribution Enforcement Program. Under this program, Enforcement Division Investigator Jon Wroten reviewed recipient campaign statements filed with the Secretary of State (SOS), which revealed that Respondent Elizabeth Cabraser made contributions totaling \$20,000 during the second semi-annual reporting period for 2000, but failed to file a semi-annual statement disclosing the contributions.

On December 12, 2001, Investigator Jon Wroten called Respondent by telephone, and left a message on her voice mail, advising her to contact him regarding her major donor filing requirements. On January 11, 2002, Investigator Wroten left a second message. Following a return voicemail from Respondent on January 11, 2002, Investigator Wroten left two additional voice mail messages for Respondent on February 2, 2002 and February 15, 2002, regarding her major donor filing requirements. Finally, on February 27, 2002 Investigator Wroten spoke with Respondent, regarding the reports she had failed to file.

After speaking with Investigator Wroten, Respondent Elizabeth Cabraser filed the delinquent major donor statement for the second half of 2000, on February 29, 2002, 13 months late.

ADDITIONAL INFORMATION

Respondent Elizabeth Cabraser's law firm, Lieff, Cabraser, Heimann & Bertstein, LLP is a sophisticated political contributor. Her firm has filed multiple major donor statements with the SOS, dating back to 1995.

Furthermore, Respondent Elizabeth Cabraser was sent a notification letter, on November 3, 2000, by the Dede Alpert for Senate Committee, advising her of her obligation to file both major donor and late contribution campaign statements.

CONCLUSION

This matter consists of four counts, which carry a maximum possible administrative penalty of Eleven Thousand Dollars (11,000).²

Regarding Counts 1-3, under the Enforcement Division's Streamlined Late Contribution Enforcement Program, the approved administrative penalty for failing to timely disclose late contributions is 15 percent of the amount of the undisclosed contributions. Although this case has been excluded from the Program, due to Respondent's additional major donor reporting violation, the late contribution reporting violations in this case do not appear to be especially aggravated, so imposition of a penalty approximating that standard penalty is appropriate.

Regarding Count 4, a single count of failing to file a major donor statement, if handled through the Enforcement Division's Streamlined Major Donor Program, would ordinarily result in a \$400

² Prior to January 1, 2001, Government Code section 83116 provided that violations of the Political Reform Act were punishable by an administrative penalty of up to \$2,000. Proposition 34, approved by voters in November 2000, repealed those penalties and added the new section 83116, which provides that violations committed on or following January 1, 2001 are punishable by administrative penalties of up to \$5,000 per violation. Because the violations in counts one through three were committed prior to January 1, 2001, the maximum penalty applicable to each of those violations is \$2,000. The violation in count four, having been committed after January 1, 2001, carries a maximum penalty of \$5,000.

penalty. However, as this violation took place in the context of additional late contribution reporting violations by Respondent, a penalty higher than the standard streamlined penalty is appropriate. The typical stipulated administrative penalty for the late filing of a semi-annual statement not resolved through a streamlined program has historically ranged from \$500 to \$1,500 per statement. Again, as this violation does not appear to be especially aggravated, an administrative penalty in the middle of that range is appropriate.

The facts of this case therefore justify imposition of the agreed upon penalty of Four Thousand Five Hundred Dollars (\$4,500).